

NEBRASKA BOARD OF PUBLIC ACCOUNTANCY
140 N. 8th Street, Suite 290, Lincoln, Nebraska
MINUTES

November 14-15, 2002

1. General

A. Call to Order and Roll Call. The Board of Public Accountancy was called to order at 1:06 p.m. on Thursday, November 14, 2002 with Chair William L. Gaines, Jr., CPA presiding. The roll was called with the following members present: William Gaines, Nina Kavich, Dean Graf, William Nuckolls, Terry Ellinger and Kathleen Smith. Michelle Thornburg was physically absent but participated via telephone. Member Thornburg did not vote. Also present was Executive Director, Annette Harmon, and visitor Ken Brauer.

B. Approval of meeting agenda for November 14-15, 2002. Moved by Smith, seconded by Graf, to approve the agenda for the November 14-15, 2002 meeting. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 1 carried.

C. Approval of the minutes of the September 9-10, 2002 Board meeting. Moved by Nuckolls, seconded by Graf, to approve the minutes as corrected. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 2 carried.

2. Public Comment Period

Time was allowed on the agenda for members of the public to address the Board with comments. Ken Brauer with the Independent Society of Accountants presented a letter from the NSIA regarding proposed legislative changes.

3. Consent Agenda

Approval of Consent Agenda by Roll Call Vote. Moved by Graf, seconded by Nuckolls, to approve the Consent Agenda. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 3 carried.

A. Published Notice of Meeting. Pursuant to call and published notice, the notice of meeting is herewith attached.

B. Approval of August and September 2002 disbursements. The Board reviewed and approved the August and September 2002 disbursements.

C. Review of Board Budget Status Report. The Board reviewed the September 30, 2002 and October 31, 2002 Budget Status Reports.

D. Office Management Report. The Board reviewed a report on permits and registrations issued for the licensure period beginning July 1, 2002 as of November 1, 2002. Prior year's statistics were also reviewed for comparison.

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4. Report of the Chair

A. Proposed Legislative Rewrite. Chair William Gaines reported on the sub-committee (composed of Bill Gaines, Nina Kavich, Kathy Smith and Annette Harmon) meeting with the Nebraska Society of CPAs earlier in the day and the nature of the discussions.

Moved by Ellinger that we should include in the proposed legislative draft the requirement for a Certificate of Achievement, reaffirm the UAA one-tier status with one-year experience in a CPA firm, and a Certificate of Emeritus for those who retire from practice. Motion died for lack of a second.

The Board also reviewed a draft legislative proposal concerning an increase in statutory maximum fees (LB 864 from this past session) and changes to allow computerized based testing for the Uniform CPA examination.

B. Review of Vision Subcommittee Meeting Notes.

(1) **NASBA Proposal on CPA Exam Application Review.** This item will be deferred until later in the meeting.

(2) **Volunteer Committees.** Moved by Graf, seconded by Kavich, to establish an Enforcement Committee of one board member and volunteers to start right away. Expenses of the volunteers would be reimbursed. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 4 carried.

C. Review of Management Budget. The Board discussed ideas for decreasing expenditures and creating more efficiency with resources.

Member Nuckolls left the meeting at 6:10 p.m.

D. Report on To Do Lists. The Chair reviewed the To Do List and items that were not marked completed.

E. Use of Signature Stamp, Fax and E-mail: Security Issues. Moved by Graf, seconded by Ellinger, that the Executive Director contact the Attorney General's office regarding what confidentiality statement to use on emails and facsimiles, that it be approved by Chair Gaines and then implemented. On roll call vote, all members present voted aye. Members Thornburg and Nuckolls were absent. Motion number 5 carried.

F. Record retention policy of board, including retention of tapes of meetings. This item was deferred.

The Board recessed for the day at 6:19 p.m.

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The Board reconvened at 8:43 a.m. on Friday, November 15, 2002. All Members were present except for Member Thornburg who was absent. Member Thornburg participated in discussion via telephone, but did not vote. The Board determined they would defer the Closed Meeting and Item 5 "Report of the Enforcement of Professional Conduct Committee" until later in the meeting.

6. Report of Licensing Committee

A. Ratification of initial permits to practice issued; and certificates issued. Moved by Graf, with the Committee's recommendation, to ratify the initial permits to practice and certificates issued by examination and reciprocity. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 6 carried.

B. Ratification of Permits Issued as Reinstatement. Moved by Graf, with the Committee's recommendation, to ratify the permits to practice issued by reinstatement. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 7 carried.

C. Review of Experience for Permit. Moved by Graf, seconded by Ellinger, to approve the procedure for experience forms and the Attachment to the Certificate of Public Accounting Experience form, adding that the wording be modified for the applicant's certification statement to reflect the current public accounting experience requirement. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 8 carried.

D. Committee Policies and Notebook. Chair Graf reported that the Committee is reviewing all past policies and a notebook for committee use.

7. Report of Continuing Education Committee

A. Ratification of staff program evaluations since last meeting. Moved by Gaines, with the Committee's recommendation, to approve the 72 courses that have been evaluated and approved by the staff since the last meeting. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 9 carried.

Moved by Gaines, with the Committee's recommendation, to approve 4 courses for partial credit. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 10 carried.

8. Report of Education and Exam Committee

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A. EAC Committee Meeting Report. Chair Thornburg reported on the full Committee meeting held September 17, 2002 via telephone conference call.

B. Review of Policies and Procedures. Committee Chair, Michelle Thornburg, reported that the Committee will be reviewing the new Committee Handbook, including the policies and procedures.

C. CPA Exam Contract for CBT. Moved by Ellinger, seconded by Kavich, to have Lynn Melson review the exam contract and provide an analysis to the Board. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 11 carried.

D. Applications for May 2003 CPA Examination. Moved by Smith, seconded by Kavich, to approve the applications, as corrected, for use with the May 2003 CPA Examination. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 12 carried.

9. Report of the Quality Enhancement Program (QEP)

A. Report of 2002 Review Process. Committee Chair, Michelle Thornburg, discussed the report of the Committee's review of responses to the QEP ratings, and the statistics at the conclusion of the review process. Moved by Graf, seconded by Ellinger, to accept and approve the QEP Committee's report. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 13 carried.

10. Report of the Executive Director

A. Report on Goals and Technology Project. The Executive Director reported on her progress with implementing specific goals and objectives for 2002-2003 and Technology Goals, including the successful addition of "editable pdf" forms to the web site, a Board Members only site, and staff training.

B. Report on NIS and Financials. The Executive Director reported on the status of NIS training and scheduled go-live dates.

C. Report on Personnel. The Board requested that the Executive Director evaluate office duties for current personnel and outsourcing ideas and report back to the Board at the January meeting.

4. Report of the Chair

A. Proposed Legislative Rewrite. Moved by Smith, seconded by Kavich, to approve the bill draft on fees and computerized examination changes. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 14 carried.

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B. Review of Vision Subcommittee Meeting Notes.

(1) NASBA Proposal on CPA Exam Application Review. Moved by Kavich, seconded by Smith, to defer this agenda item to the January meeting. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 15 carried.

CLOSED MEETING

Closed Meeting. Moved by Smith, seconded by Nuckolls, that the Board go into closed session at 11:15 a.m. for the purposes of enforcement, litigation and personnel. On roll call vote, all members present voted aye. Member Thornburg was absent. Motion number 16 carried.

Member Thornburg disconnected from the meeting at 11:50 a.m.

Member Ellinger left the meeting at 1:30 p.m.

Return to Open Meeting. Moved by Smith, seconded by Nuckolls, that the Board return to open session at 2:19 p.m. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 17 carried.

5. Report of Enforcement of Professional Conduct Committee

A. Determination of Probable Cause or Lack of Probable Cause. Moved by Smith, with the Committee's recommendation, to close complaint #9900-012 upon signing and return of Stipulation and Consent Order. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 18 carried.

Complaints #9697-012 and #0102-023 were deferred to the January Meeting.

B. Reinstatement of Surrendered CPA Certificate. The Board reviewed a letter of request by Kevin Cook to have his CPA certificate reinstated, and a letter of good standing from Kansas of Mr. Cook's Kansas CPA certificate. Moved by Smith, seconded by Kavich, to reinstate Kevin Cook's CPA certificate. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 19 carried.

11. New Business

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A. Future Meeting Dates. The Board will next meet on January 16-17, and March 24, 2003 in Lincoln.

B. NASBA Items.

(1) Focus Questions. No action was taken.

(2) Attendance at Executive Director's and Legal Counsel Conference. No action was taken.

C. Resolution for Retiring Board Member. Moved by Smith, seconded by Kavich, to adopt a resolution for Roger Thompson. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 20 carried.

Resignation of Executive Director. The Executive Director submitted her resignation and the Board accepted the resignation.

CLOSED MEETING

Closed Meeting. Moved by Smith, seconded by Nuckolls, that the Board go into closed session at 2:37 p.m. for the purpose of personnel. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 21 carried.

Return to Open Meeting. Moved by Smith, seconded by Graf, that the Board return to open session at 5:05 p.m. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 22 carried

12. Adjournment

It was moved by Smith, and seconded by Graf, that the Board adjourn at 5:10 p.m. on Friday, November 15, 2002. On roll call vote, all members present voted aye. Members Ellinger and Thornburg were absent. Motion number 23 carried.

Submitted by,

Michelle R. Thornburg, CPA
Secretary